

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(2,356)	23,351
Adjustments for:			
Depreciation	13	2,608	1,607
Impairment of fixed assets		–	90
Share of (profit)/loss of an associate		(15)	6
Interest income	4	(12)	(20)
Finance costs	6	12	8
Provision for bad and doubtful debts	5	2,677	–
Provision for obsolete inventories	5	4,822	1,000
Operating profit before working capital changes		7,736	26,042
Increase in inventories		(12,020)	(5,256)
Increase in trade receivables		(6,168)	(4,856)
Decrease/(increase) in prepayments, deposits and other receivables		622	(1,061)
(Decrease)/increase in trade payables		(8,606)	1,390
(Decrease)/increase in accruals and other payables		(941)	419
Cash (used in)/generated from operations		(19,377)	16,678
Interest element of finance leases rental payments		(12)	(8)
Net cash (used in)/generated from operating activities		(19,389)	16,670
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	4	12	20
Purchase of fixed assets	13	(902)	(5,904)
Acquisition of an associate	26(b)	–	(1,990)
Acquisition of a loan advanced to an associate	26(b)	–	(7,010)
Loan advanced to an associate		(2)	–
Net cash used in investing activities		(892)	(14,884)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital element of finance leases rental payments		(96)	(39)
Dividend paid	11	–	(9,715)
Net cash used in financing activities		(96)	(9,754)
Net decrease in cash and cash equivalents		(20,377)	(7,968)
Cash and cash equivalents at the beginning of the year		36,970	44,938
Cash and cash equivalents at the end of the year		16,593	36,970
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		16,593	36,970

The accompanying notes form an integral part of these financial statements.